

Opening Statement  
Chairman Frank Pallone, Jr.  
Committee on Energy and Commerce  
Subcommittee on Consumer Protection and Commerce  
Hearing on “Consumers Beware: Increased Risks During the COVID-19 Pandemic”  
July 9, 2020

Today we will continue this Subcommittee’s work of protecting consumers by examining the increased risks that consumers face from scams and unsafe products during the COVID-19 pandemic.

Each day, the pandemic seems to reach a new grim milestone with more than 130,000 people in the United States killed and cases skyrocketing all across the country.

While the direct loss of life is the most terrible consequence of the pandemic, its devastation extends beyond the infections. Tens of millions of people have lost their jobs. The pandemic has also completely upended American life, forcing Americans to dramatically change how they work, learn, and socialize.

In my home state of New Jersey, data shows people were spending 98 percent of their time at home during the peak of the outbreak there in April. And now, with COVID-19 infections surging across the country, this new normal looks like it will last a long time.

The health experts tell us we are safer at home, but more time at home can also result in risks to consumer health, safety, and financial well-being.

Young children are particularly at risk to household threats, as parents, struggling to juggle work and childcare, are more likely to inadvertently leave them unsupervised leading to more potential for injuries from household dangers. For older Americans and senior citizens, months on end with little interpersonal contact and support have left them particularly vulnerable to fraudsters preying on their isolation.

In March, just before much of the country went on lockdown, this Subcommittee held a hearing examining the proliferation of fake and unsafe products on online marketplaces. At that hearing, we saw the uphill battle that consumers face against the deceptive practices of unscrupulous sellers, especially combined with the lax enforcement of policies of online platforms.

While e-commerce has become something of a lifeline for many Americans sheltering at home, it has also laid bare the ubiquity of unsafe and counterfeit products, as well as the stark truth that scammers abound—making what’s already a nightmare even worse. Americans have purchased bogus treatments and sham testing kits from unscrupulous sellers that flood social media sites. Even hospitals have fallen victim, inadvertently purchasing counterfeit

face masks that put the lives of our frontline health workers at risk. With widespread shortages and supply chain delays on key medical equipment and household essentials, opportunistic sellers are also price gouging consumers.

And while we've made some job gains, nearly 18 million Americans are still unemployed. Scammers are exploiting Americans struggling financially, including by targeting their stimulus checks and unemployment benefits. Scammers have come up with new versions of the old scams—posing as the government and fundraising for fake charities, among others. The fear and confusion brought about by the COVID-19 pandemic has given their old schemes new potency.

The ongoing pandemic is no excuse to stop our vigilance on these consumer protection threats. I am proud to have joined Chair Schakowsky in introducing the COVID-19 Price Gouging Prevention Act, which would prohibit the sale of consumer goods and services at unconscionably excessive prices during a public health emergency. This legislation was included in the Heroes Act, which passed the House in May. This comprehensive coronavirus response is still sitting in the— it's inexcusable that nearly two months later Senate Majority Leader McConnell has yet to act.

Social media platforms also need to do their part to protect American consumers. Yesterday, along with Subcommittee Chairs Schakowsky, Doyle, and DeGette, I sent a letter to Facebook, Google and Twitter requesting regular, monthly updates on their response to COVID-19 disinformation. The troubling rise in COVID-19 disinformation is driving fear and conspiracy theories, impairing consumer ability to make rational and informed purchasing decisions and pushing consumers into the very traps of scammers peddling unproven and misbranded products.

I look forward to hearing from our expert witness panel on the scope and scale of these consumer protection issues and how we can protect ourselves from these threats.